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HARDWARE AT HOME

JULY/AUGUST 1998 \$4.00

centre

MAGAZINE

INSTALLED SALES
THEY'RE CHALLENGING
BUT REWARDING

**ADHESIVE &
SEALANT SALES**
DRIVEN BY PRODUCT
INFORMATION

LIGHTING
WITH STYLE

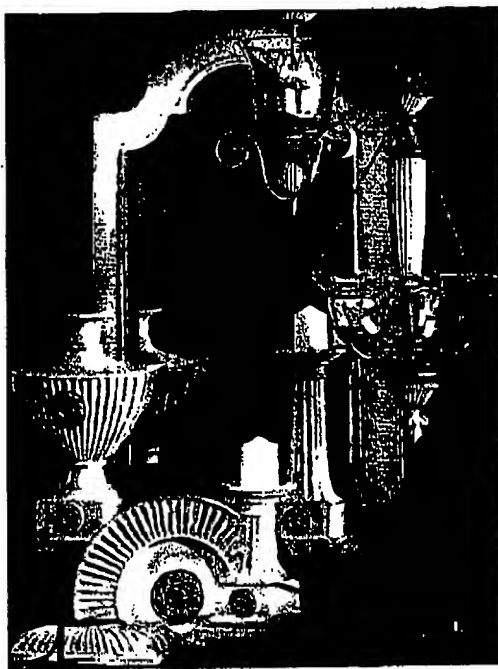
**NATIONAL
HARDWARE SHOW**
A PREVIEW OF THE HIGHLIGHTS

**TOOLS FOR
SERIOUS PEOPLE—**
TIM ALLEN'S
SIGNATURE TOOLS

VIVE LE BOC

AS HOME DEPOT PREPARES TO DO BATTLE IN QUEBEC WITH RONA AND RENO-DEPOT, THE QUESTION EVERYONE IS ASKING, WILL FRANCOPHONES ACCEPT HOME IMPROVEMENT, ATLANTA-STYLE?





The lighting display of any home and hardware store is usually its most attractive section. The twinkling lights, stylish fixtures and fancy fans stand out against the utilitarian goods in the rest of the store. Lights attract customers, says Mike Rosart, national product manager for electrical products at Beaver Lumber in Markham, Ont. "If you have a well-lighted display it will catch the consumer's eyes and they will go to it."

But, it's a double-edged sword. While a lighting display might be a store's most attractive feature, it also takes a lot of work to stay on top of the current trends. Nothing could be worse than attracting people to an out-of-fashion group of products. "The average retailer has to understand lighting is a fashion business. You have to stay on top of it," says David McKenzie, vice-president of merchandising at Tim-BR-Marts in Vancouver, BC. "Those who commit themselves to the program see a pretty significant increase in sales."

But, what are the current trends in lighting? What is the best way to handle this high-maintenance line? And, what are some common mistakes to avoid?

Just so you wouldn't be, ahem, left in the dark, *Centre* spoke with several lighting experts from across the country. We let them tell you what lighting products are getting the most attention and also what selling strategies they've found work best in their stores.

What's new? "At this time of year it's low-voltage outdoor lighting," says Al Challis, Home Depot's merchant for electrical in Eastern Canada. "It's making up about five percent of our lighting and electrical sales." That's excellent, he says, considering outdoor lighting has 24 feet of wall space in only two percent of the total electrical and lighting department.

Speaking from his office in Toronto, Challis says one of the hottest new products in outdoor lighting is made from spun aluminum, which is more durable than the common, plastic models and less expensive than the top-of-the-line cast aluminum products. There's a trend toward "lightscaping," he says, which is to create atmosphere and highlight the exterior features of a house with outdoor lighting. "Some people are even putting them in trees and illuminating branches."

Contractors and DIYers are buying the spun aluminum products. They're a boon to contractors because a reasonable system runs about \$400. So, for instance, they can offer an outdoor lighting system to a \$4,000 driveway quote for only a 10% premium, which is more likely to be approved than a more expensive quote for cast aluminum.

Lighting

By Neil Dunlop

with style

Consumers are looking for high-end fixtures with special finishes.

A lot of the sales to DIYers are upgrades, he says. Plastic outdoor lighting has been around forever and although it's about quarter of the price of spun aluminum, it requires constant maintenance. Look in anyone's backyard with plastic lighting, says Challis, and you'll notice much of it is cracked or missing lenses and caps. "We sell thousands of replacement pieces of plastic outdoor lighting every year."

Challis has also noticed an increase in the popularity of ceiling fans, due in part to new designs and fashion finishes. Polished brass and white are staple colors, he says, but the trend is toward finishes such as brushed steel, copper verde and antique white.

Tim-BR-Marts' David McKenzie has also noted more activity in high fashion fixtures and finishes. "The trend is toward less function and more decor." People are looking for higher-end fixtures with special glass and finishes, he says. Better quality glass with stylized patterns and subtle, infused colors is now popular. The fixtures sold at Tim-BR-Marts are now mostly neutral colors such as brass, white and pewter. Bright colors — red, green and blue — are dimming in popularity.

Recessed lighting is seeing a renaissance lately, McKenzie says. "It's more inconspicuous and offers more specific lighting to highlight various features of the home and direct the eye and not overpower the whole room with general light." It's very popular with interior decorators, but most of the sales are to DIYers. "Consumers read home fashion magazines and they're seeing a lot of recessed and indirect lighting, especially in kitchens."

Track lighting is all but dead, he says, "simply because it's not a nice architectural feature. People are going for lighting that's not seen."

Sales in fluorescent lighting have also increased. Attracted by its energy savings, consumers are choosing it, again, for their kitchens. The trend is toward cloud lighting, says McKenzie. Box lighting and California ceilings are out.

Beaver Lumber also notes consumers developing more sophisticated decorating ideas. Black and white are still popular choices, but there's a definite trend toward fashion colors like copper verde. "We're starting to move a lot of those products," says Mike Rosart. "It's something different to choose from and it suits consumer's personal tastes."

1. Thomas Lighting's collection of fixtures and mirrors features curves, ribs and crests with a brushed-silver finish. RS# 4

2. Fiber Optic Designs introduces Forever Bright LED-based light strings for indoor/outdoor use that operate on standard 120-volt AC house current without a transformer. They feature ultra cool illuminating lamps for safety, super energy efficient using 90% less electricity. They come in red, green, gold and mixed colors as well as a new candlelight color. RS# 5

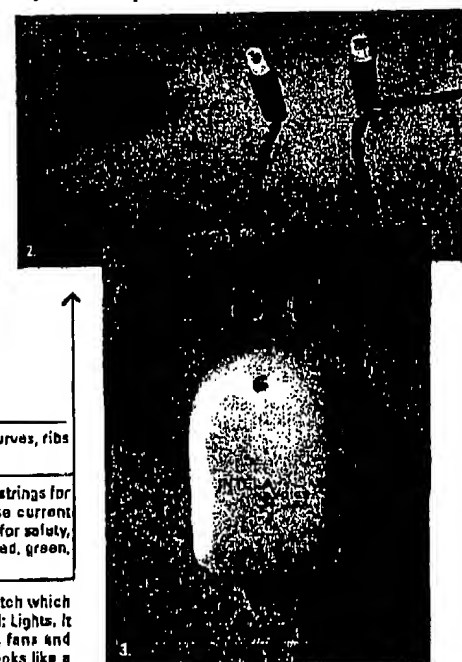
3. VOS Systems offers IntelVoice™, a voice-activated light switch which lets you turn a light on and off with a simple one-word command. Lights, it is also pre-programmed to turn on and off radios, televisions, fans and other small appliances from as far away as 20 feet. The unit looks like a computer mouse and all you do is plug it into a standard outlet. RS# 6

Beaver Lumber re-established its lighting department last year after it abandoned its plan to exclusively target general contractor supplies. "Our biggest struggle is to get back into the fashion light business," Rosart says. "We had to start from scratch."

One of the challenges was to reclaim the wall space from Beaver's outlets. "If you give a dealer of a small store a few extra feet, he's going to take it. Now, we're asking for it back." The average area devoted to lighting is a 12 by 20-foot ceiling cloud and eight feet of wall space.

Rosart has found that an attractive display is the key to success. "You have got to have a good, working display and turn it on so consumers can see it." It's important, he says, to ensure every fixture is operational. Resist the temptation to borrow parts from the display fixtures. "If they can't see it working, who's going to buy it?"

McKenzie agrees. The most important factor in lighting sales is the in-store display. The consumer has to see the fixture in an installed situation. An operating light is the most effective way to go. "Tim-BR-Mart dealers decide how much space to devote to lighting, but McKenzie believes that a store should have a ceiling display of 15 square feet and 12 feet of wall space. "Some retailers don't put a lot of effort into lighting because it's a fashion category and they have to stay on top of it. You should constantly review your assortment to make sure you don't have out-dated styles. It will pay off if the effort is made."

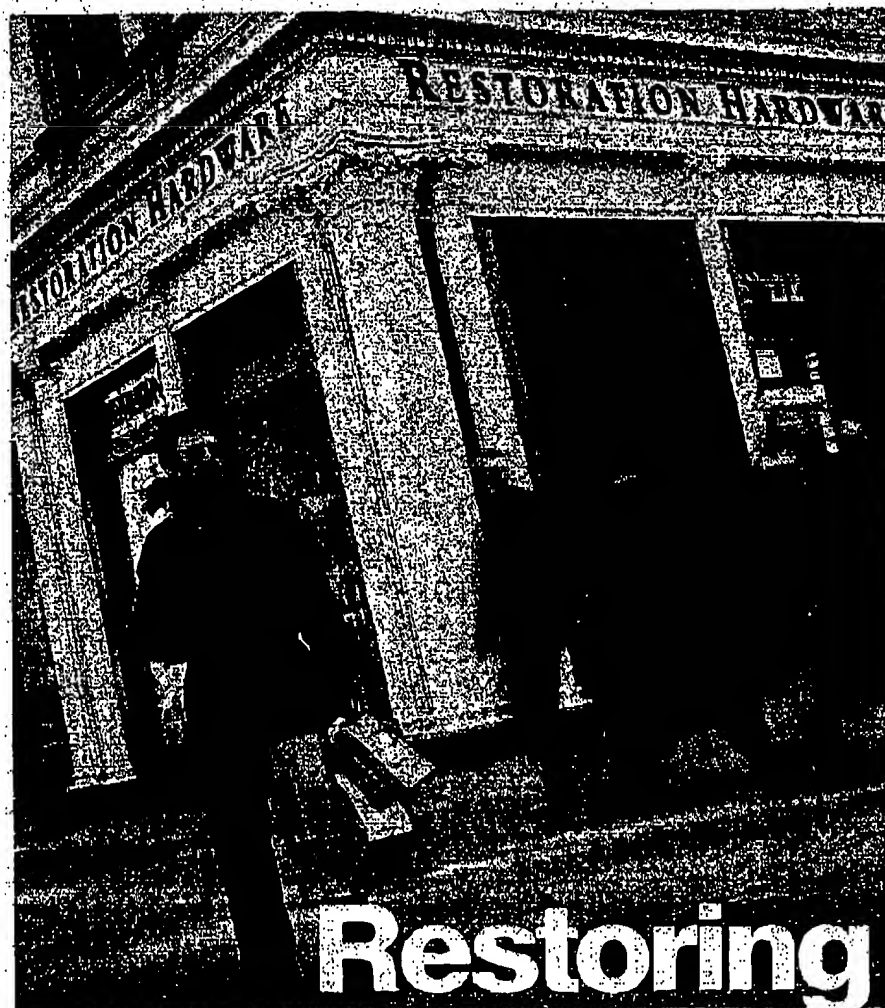


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HFN

Inside

How comes the guide

back and will want to know
what and registered for more
than just services to home?Section starts
on page 2

PHOTOGRAPH BY GREGORY SULLIVAN

Restoring

HOW DID RESTORATION HARDWARE lose its luster? In an exclusive interview, chief executive Stephen Gordon fesses up to his company's lackluster financial performance and blames rapid growth, inadequate infrastructure—and himself. Now, Gordon says, it's turnaround time. After all, where else can you pick up a nickel bath fitting, a box of Mr. Bubble and a leather chair? See page 8.

Salton to Plug In Hoffritz Electrics

Also eyes troubled Braun brand

By Barbara Thau

NEW YORK—One of the nation's top small-electrics makers, Salton Inc., has sealed a licensing deal with Lifetime Hoen Corp. to bring the Hoffritz name—which now brands gadgets and bakeware—to small electrics.

The announcement was made by William Rue, chief executive of the small appliance marketer, at the Donaldson Lufkin and Jenrette consumer products conference here last week.

In addition, the Mount Prospect, Ill.-based Salton informally said it expressed interest in purchasing select segments of Braun. Last month, Braun parent Gillette Co. hired J.P. Morgan to explore "strategic alternatives," including a possible sale, for segments of its struggling Braun division, namely, small kitchen appliances and certain personal care lines.

"We threw our name into the ring," said Rue of the company's courting of Braun. "We would be interested in the brand name, like anyone in our industry. These are product lines that would require some fading. With Braun, we'd try

See Salton, page 4

High Point Goes Boom

Another 2.5M square feet on the way

By Angel Schroeder

HIGH POINT, N.C.—The world's largest home furnishings show is getting even bigger.

Next month's version of the High Point show, with 2,400 exhibitors in more than 8 million square feet of showroom space encompassing 150 buildings, will swell by 2.5 million square feet—a spurt of more than 30 percent.

Merchandise Mart Properties last week announced plans for yet another showroom building in High Point. The newly announced building, known as Market Square on Main, will offer 450,000 square feet of showroom space at a cost of \$40 million. The six-story showroom will be connected to the adjacent Furniture Plaza Building, also

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Danise
Sunbeam
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LIGHTING & DECORATIVE HOME

Bassett's Ad Blitz Focuses on Accessories

By Nancy Meyer

BASSETT, Va.—Decorative accessories are being given a healthy slice of Bassett Furniture Industries' \$26 million national advertising campaign and will be merchandised for the first time in a gallery in the company's High Point showroom.

"This is the first year we'll be on national TV, and we're making a big push in accessories in March," remarked Janice Hamlin, vice president of marketing for Bassett.

On March 20, 6.5 million advertising circulars will be in newspapers across the U.S. and Puerto Rico, featuring a special value on oversized decorative mirrors from the Uttermost Co. The four-page tab prominently features the 46-inch-by-70-inch handcarved, framed mirror, which is available in gold leaf and silver leaf for \$399 retail. Regular price is \$590.



Bassett's latest circular features a framed mirror, a shift in advertising for the furniture retailer.

High Point. The gallery will provide an in-depth look at 25 accessory lines that cover all categories. "It'll be the best of the best, to make it easy to shop," Kennedy said. The program will enable dealers to find accessories that coordinate with the furniture, all in one location.

"It's a phenomenal opportunity. This is a true added-value to their furniture-dealer base," Kennedy said.

"Frankly, it's a huge advantage to us," Hamlin added. "We don't have time and we don't know how to accessorize with Bassett the way The Accessories Group can. The dealers will get the benefit of having the top sellers from each line to choose from."

Special deals and promotions will be offered to dealers who write orders at market. "We wanted to be of service, solve a shopping dilemma and do what we could to increase their margins," Kennedy said. ▲

together the promotion. The Accessory Group administers all of the home accents buying for Bassett, which is both furniture manufacturer and retailer. Bassett has 52 Bassett Furniture Direct stores and 75 At Home stores, plus a large number of independent furniture dealers that sell Bassett furniture.

Another accessories promotion is on tap for fall, although details have not been finalized. "It'll be a rug," Kennedy said. "We're looking to make as big a splash as we can."

To facilitate the buying process for Bassett's 500-plus dealers, The Accessory Group will set up a 9,000-square-foot home-accents gallery in the Bassett showroom in

NEWS

INTERIORS MAKES APPOINTMENTS

Interiors Inc. has named E.J. Phillips vice president of sales for Troy Lighting; Charles Noble national sales manager for Vanguard Studios and Judith Anderson national sales manager for Arisan House. Dennis D'Amore, former head of West Coast operations, was named president of CSL Lighting. The Focus accessory division has appointed Thedia Davis vice president of sales.

Interiors has also named Michael Mulligan to the new post of vice president of operations for the wall decor business, which includes Windsor Art & Mirror, Artmaster and Vanguard. He is responsible for manufacturing, purchasing and related operations. Mulligan served as president of Windsor Art from 1995 to 1996. Robert Conologue, former senior vice president of finance for Warner Group's sportswear division, was appointed executive vice president and chief financial officer.

BARRY COHEN MOVES TO CONSULTANT POST FOR PINNACLE

Barry Cohen has left his position as senior vice president of marketing of wall decor giant Pinnacle Art & Frame, but will continue as a part-time consultant on marketing and product development to the company. Cohen, an industry veteran, joined the firm in 1997 and is credited with making improvements in product development and marketing.

AUSTIN NAMES ANN HOUPERT TO EUROPEAN SALES

Austin, the decorative accessory, wall decor and sculpture manufacturer based in Holbrook, N.Y., has appointed Anne Houpert as European director of sales and marketing. Houpert's experience as export sales manager in the tabletop industry will serve her as she oversees the sales and marketing efforts of all of Europe. She is based in the U.K.

The group will unveil a home-accents gallery in Bassett's High Point showroom.

"It's a huge discount; it's something that will really help our dealers," said Mary Leigh Wallace, marketing manager for Bassett. "Our dealers were very receptive to the promotion when we unveiled it last market."

"This is the biggest promotion we've ever done, and it required a lot of work with our vendors," Wallace added.

"We're real excited because those oversized mirrors, called leaners, are really big right now at retail. This represents a tremendous value," said Barb Kennedy, president of The Accessories Group, the Dallas-based sales organization that put

LED-Based Decorative Lighting to Make Debut

By Nancy Meyer

YARDLEY, Pa.—Underwriters Laboratories (UL) has granted the first approval for LED-based decorative lights, paving the way for the technology to be marketed to consumers this Christmas.

The optoelectronics division of Fiber Optic Designs, based here, received UL approval for indoor/outdoor use of its Forever Bright line of decorative lights. The listing was granted under code UL 588, which certifies holiday and decorative lighting products. UL approval is significant, given the safety hazards associated with low-cost string lights that use incandescent bulbs. Major retailers refuse to buy non-UL-listed lighting products.

The LED-based Forever Bright lights use semiconductors encased in solid

epoxy, do not generate heat, have a lamp life of 200,000 hours, and have light output equivalent to a super-bright clear set and five times that of super-bright colored set, said David Allen, president of Fiber Optic Designs.

Before this technology, decorative lights all had incandescent bulbs. The motivation behind the development of this line was Allen's frustration with traditional holiday lights, which have high defect rates, burn out easily, and produce heat.

"It's truly revolutionary, and from the feedback we've gotten, we believe it's the right product at the right time," Allen said.

He added that the company has seen "tremendous interest from retail buyers" for the Forever Bright line, "provided the lights comply with stringent UL testing."

Now that approval has been granted, Allen said he foresees retail placement for the upcoming holiday season at many of the major mass merchants and specialty retailers active in the category.

Major retailers are now sampling the Forever Bright lights in sets of 50 and 100 and are expected to place orders in coming weeks for the holiday 2000 season, Allen said.

The line will retail for \$12.99 to \$14.99 for a set of 100 in the majors. Brand-name incandescent holiday lights currently sell for \$9.99.

"We are extremely price-conscious in our manufacturing and have gotten wonderful pricing on semiconductors based on the kind of volume we expect to do," Allen said. ▲

lighting trends

stylishly technological

Innovations fuel ongoing revolution in lighting systems

As was the case in 1999, decorative lights — fueled by an ongoing revolution in technology and style — should fly off retailers' shelves this coming Christmas season.

In outdoor lighting, icicle lights are still expected to be huge sellers, with net lighting — which eliminates the need to string lights on outdoor trees and bushes as well as on indoor trees — a growing sub-category.

Icicle and net lighting top the list of hot products at Waterloo Gardens, Exton, Pa. Clear varieties fare best, followed by blue and white. Longer icicles — the ones that "really look like drips" — are performing better than their shorter counterparts, says Elise Lebouillier, buyer.

"Net lights are the big thing, in chaser and non-chaser styles," concurs Jimmy Knips, president of three-unit Christmas Palace, Hialeah, Fla. He predicts that next year will bring heightened sales of blue icicle lights and innovative variations on net lights.

Indeed, manufacturers' plans for 2000 involve the introduction of icicle and net or mesh lighting line extensions to keep the classification fresh. For instance, although there is still substantial call for clear lights, Minami, Inc. will roll out icicle lights in sev-

eral different colors, including green. Net lights in sizes and shapes appropriate for use on trees and poles will be unveiled as well, reveals Harvey Weinstein, senior vice president, sales. He adds that with so much variety available in the icicle and net or mesh

markets, shortages — such as the paucity of icicles in 1998 — will not be a factor going forward. New England Pottery's GKI division is also working on incorporating color into icicle

light sets, notes Steve Perilli, vice president and general manager.

Vendors are injecting an equal dose of excitement into outdoor lighting with more advanced LED products, which sources say are cultivating an audience

because they are longer-lasting, cooler and more intense than conventional bulb lighting. Fiber Optic Designs, Inc.'s Forever Bright lights will be available in antique candlelight, red, green and gold; clear LED

bulbs will be part of the collection as well. White and blue LED strings and LED icicle and mesh lights are slated to be unveiled in 2001.

Color is increasingly important to lighting customers at 48-store, Miami-based Burdines. Buyer Merrill Kramer is selling real green, frosted pink and other "junky fashion colors" in tree lights. She cites blue — "from cobalt to pastel" — as the likely hot color for 2000.

Also gaining ground are



Arizona Light Creations, Inc.
Circle No. 277

larger bulbs and bulb coverings, a pattern merchants attribute to consumers' belief that extensive exterior decoration warrants larger-scale illumination. "C-7s and C-9s are back with a vengeance, and sales there are way up," Lebouillier observes.

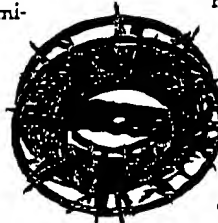
"The philosophy today is 'the bigger, the better,'" agrees Sue Scott, president of Primal Lite. "C-7s are almost a staple now."

Gary Collins, director of marketing, Arizona Light Creations, says his firm is reacting to this trend by augmenting its Light Scamps (TM) line of fabric-covered, illuminated balls, which may be suspended from trees, houses and the like. Ten-inch balls will carry "Merry Christmas," "Noel,"

"Season's Greetings" and "Peace on Earth" messages. ■



Adams Mfg.
Circle No. 281



Christmas Light Co.
Circle No. 280

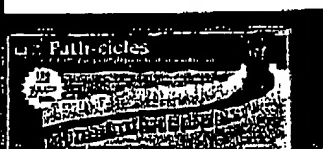


Forever Bright Lights from
Fiber Optic Designs, Inc.
Circle No. 276



Berry Lights from GKI.
Circle No. 278

Bright
Star
Mfg.
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279



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